

SYN. NO. _____

AGN. NO. _____

MOTION BY SUPERVISOR ZEV YAROSLAVSKY

April 1, 2008

In January 2004, Tenet Healthcare Corporation (Tenet) announced its decision to sell 19 of its California hospitals, of which 14 were located in Los Angeles County.

Since that time, Tenet has divested several of its local hospitals but not Encino-Tarzana Regional Medical Center in the San Fernando Valley.

The Encino-Tarzana Regional Medical Center is a two-campus community hospital with 396 acute care beds and two full-service emergency departments. The facility's Tarzana campus is located on land leased from Health Care Property Investors, Inc. (HCPI), a real estate investment trust; the lease is set to expire in February 2009. HCPI and Tenet have been engaged in negotiations to sell the Tarzana campus to a qualified medical provider. Unfortunately, these negotiations have been unsuccessful to date, possibly jeopardizing future provision of medical services in the community.

In response to the stalemate between Tenet and HCPI, our State legislators have introduced three bills to ensure the preservation of medical services on the Encino-Tarzana campus. Senator Sheila Kuehl, Chair of the Senate Health Committee, has introduced SB 1734 which would prohibit a real estate investment trust which leases land to a hospital from modifying the lease or selling the land to a for-profit hospital

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operator if such actions will result in a reduction of services or closure. In addition to SB 1734, Senator Mark Ridley-Thomas and Assembly Member Lloyd Levine have introduced SB 1688 and AB 2715, respectively. These companion bills would mandate a for-profit hospital operator to maintain the same level of care provided by the previous hospital operator and prohibit the operator from decreasing expenditures by more than 10% without prior approval of the State Department of Public Health. All three of these bills are intended to encourage a successful resolution between Tenet and HCPI and thus, help to preserve medical services on the Encino-Tarzana campus.

I, THEREFORE, MOVE that the Board of Supervisors send a five-signature letter to the Chair of the Senate Health Committee and members of the County's State legislative delegation supporting SB 1734 (Kuehl), SB 1688 (Ridley-Thomas), and AB 2715 (Levine) and instruct the County's legislative advocates in Sacramento to pursue the County's position on these measures.

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